



Connecticut Community Providers Association
a unified voice for community human service providers

February 27, 2007

To: Labor Committee

From: Terry Edelstein, President/CEO

Re: S.B. 1290 AAC Accountability in Contracting with State Agencies

Please accept these comments relating to S.B. 1290 AAC Accountability in Contracting with State Agencies.

This proposed legislation will divert resources away from client services.

The provisions of S.B. 1290 replicate much of the current, very detailed, reporting requirements for nonprofit human service providers and impose a new layer of bureaucracy on private providers. In our labor intensive industry, the time it takes to address multiple compliance requirements, whether from individual state agencies or the federal government is time taken away from providing direct services. Reporting that duplicates existing requirements adds to the cost of operating our services without providing an enhanced benefit to our clients.

We have identified upwards of thirty current reporting requirements for private providers in such areas accounting, accreditation and licensing. The "Core Human Services Contract" is an extensive document with multiple reporting and compliance provisions. The state and federal single audits and the federal 990 provide detailed financial information. Private providers must comply with monthly, quarterly, and annual programmatic reports as well as unscheduled site visits. Yet, S.B. 1290 adds additional layers to the reporting requirements currently in place.

I'll just comment on a few of the provisions:

FOI thresholds	Lowering the FOI threshold from \$2.5 M to \$250,000 would create a huge paperwork and time burden.
subcontractor requirements	It is unrealistic to expect that subcontractors will provide salary information. Neither service contractors who might be defined as performing a government function nor professional contractors will be likely to comply. They simply won't provide the service.

health care reporting requirement 100% of employees can be covered under a poor plan with high deductibles. In another scenario, 50% of employees can be covered by health insurance with the other 50% covered by spouse or other employer plans. Employees may be offered coverage but turn down the coverage to avoid paying premiums, co-pays or deductibles. The information requested in the bill doesn't meet what we assume to be the goal, to assure that employees have access to health insurance coverage.

performance assessments State agencies conduct numerous performance assessments. This information is readily available from the contracting state agencies.

In the last legislative session we reviewed the provisions of similar accountability legislation at length, identifying duplicate reporting requirements and attempting to focus on one set of reporting standards that would meet the needs of the proponents while streamlining the reporting process.

This year, we recommend a negotiation process to include legislative leadership, the Secretary of the Office of Policy and Management and at least six human service private providers designated by the community provider trade associations, with the goal of developing develop a uniform human services private provider information disclosure form. We recommend that the OPM Purchase of Service unit become the coordinating entity and repository for information that is gathered from the contracting state agencies. OPM plays a similar role at present, coordinating State Single Audit Act submissions.

This year, the OPM Purchase of Service unit has implemented uniform cost standards, accounting standards in effect now, or to be in effect by July 1, 2007, for all nonprofit providers. Prior to promulgating these standards, OPM coordinated a negotiation process among human service state agencies, private providers and the CPA firms to arrive at accountability standards that would meet the needs of the state and at the same time could be implemented in a manner consistent with generally recognized accounting standards, rather than superimposing a new reporting requirement on the private provider network.

We encourage the Committee to convene a similar negotiation effort, through which each party could present and discuss its interests in a thoughtful manner.

We are committed to working with your Committee in consolidating contracting accountability requirements so that our primary attention can be focused on the individuals that we serve, not the compliance requirements.